



Press Release

## **Shriram City Union Finance' Consolidated Disbursements rose by 49% to a Record High of INR 28,880 Cr in FY22**

**Chennai, April 29, 2021:** Shriram City Union Finance Ltd. (Shriram City), a leading financier to Small Business Enterprises and India's largest two-wheeler financier (based on number of 2W financed) and part of the Shriram Group announced the financial results for Q4FY22 today. On a consolidated basis, the company's disbursements rose by 49% to a record high of INR 28,879 Cr in FY22 and for the quarter stood at INR 8,645 Cr, up 14% YoY, backed by a strong revival for Micro, Small and Medium Enterprises (MSME), gold and 2-wheeler loans. Assets Under Management (AUM) of INR 38,541 Cr, increased by 15% YoY and Consolidated Profit After Tax were up by 12.1% to INR 326 Cr in Q4FY22. The consolidated results include Shriram City and Shriram Housing Finance Limited. Shriram City Standalone PAT was the highest ever profitability at INR 303 Cr.

**On a Standalone Basis:** Shriram City reported its best yearly disbursements of INR 26,140 Cr, up 52.4% YoY, while AUM rose by 12% YoY to INR 33,186 Cr. PAT rose to its highest ever at INR 303 Cr in Q4FY22 compared to INR 282 Cr last year, while FY22 PAT rose by 7.4% to INR 1,086 Cr. Asset quality improved with Gross NPAs declining 100 bps QoQ to 6.31% in Q4FY22 (7.3%: Q3FY22). The company has liquidity backup worth INR 5,235 Cr as of end Q4FY22.

**Segment Break-up:** In FY22, MSME and Personal loan disbursements grew at the fastest pace driving overall growth. MSME loans contributed 44% of the total AUM and disbursements more than doubled to INR 6,972 cr in FY22. The company, the largest Two-Wheeler (2W) financier has witnessed strong loan disbursements. The Company has expanded its Gold loans business to 70 branches in north India and will focus on capturing market share from the unorganized sector in the region. Personal Loans disbursed to credit tested customers have shown a sharp rise in the last year and will continue to be a cross sell-based approach product.

**Shriram Housing Finance Ltd**, a Subsidiary of Shriram City a leading affordable home financier had a strong Q4FY22, with AUM growth of 36% YoY to INR 5,355 Cr. The AUM growth is driven by the robust disbursement growth rate of 25% YoY to INR 2739 Cr, backed by widening the distribution network to 200 touchpoints of the Shriram Group in FY22 and rising demand for affordable home finance. Shriram Housing Finance is among the top 5 affordable housing financiers in India, with the widest distribution network in South India.

Commenting on the financial results Mr **Y.S. Chakravarti, MD & CEO, Shriram City** said: "FY22 started on a slow note, but we managed to pick up significant pace with the improving conditions

for MSMEs and pent-up demand from the 'Aam Aadmi'. Within the MSME space, we largely cater to the trading community and they have rebounded with the pick-up in activity, thus spurring demand for MSME credit. We ramped up our personal loan book too, lending to credit tested customers. We have so far succeeded in Loan against Gold in the south and have now expanded our footprint in the north, which has good potential. Our subsidiary, Shriram Housing Finance's AUM crossed INR 5300 cr and has become one of the top 5 largest affordable housing financiers in India. Shriram Housing Finance has grown by 43% CAGR in the last 3 years and we are targeting to grow at double the industry growth rate in FY23. The merger process with Shriram Transport Finance Company, the market leader in used truck finance is progressing as per plans and is expected to be completed by Oct-22, which will give us a competitive edge."

### **About Shriram City Union Finance**

Shriram City Union Finance (Shriram City; BSE: SHRMCITY, NSE: SHRIRAMCIT), a 35-year-old company and part of the Shriram Group, is one of India's leading non-banking finance companies. Focused on the rural and semi-urban sector, the Company has over 4.55 million customers and has an Asset Under Management of around INR 385.4 Billion. The Company is a leading financier to Small Business Enterprises and the largest two-wheeler financier, , and Gold loans and also has a Housing Finance Subsidiary, Shriram Housing Finance Ltd with an AUM of INR 53.5 Billion. Shriram City has 986 branches and an employee strength of 27997 across India as of 31 Mar 2022. The company's Long term credit rating is at AA with a Positive Outlook by India Ratings, and AA on Rating Watch with positive implications by CRISIL, ICRA and CARE. Shriram City has been named one of the Best Places to Work in India in 2021 by AmbitionBox, an Info Edge subsidiary.

### **About Shriram Group**

Shriram Group is India's leading financial conglomerate with a dominant presence in commercial vehicle (CV) financing, retail financing, chit fund, equipment financing, housing finance, life insurance, general insurance, stockbroking, distribution of financial products, and wealth advisory services. The Group focuses on serving the underserved and is driven by its Financial Inclusion agenda of bringing finance to low-income families and small businesses. Shriram Capital Limited is the holding company for the Financial Services (Shriram City Union Finance Limited & Shriram Transport Finance Limited) and Insurance entities (Shriram General Insurance Company Limited & Shriram Life Insurance Company Limited) of the Shriram Group. Shriram Housing Finance Limited is a subsidiary of Shriram City Union Finance Limited. The lending and insurance companies were created with the primary objective of optimizing the synergies across the Group entities.

Shriram Group together has an overall customer base of over 21.65 Million, with around 67,000 employees across 4,000 branches. Net profit of INR 49 billion (FY21) with Assets Under Management (AUM) of over INR 2 trillion (Sep-21).

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